19 35

Department of Excise

OFFICE of the Commr

STATION Chepauk

Seen by C.

Dated 6-X-35

Rec'd 1/37

R 50 (E)

S/210

Pages in the file

(SUBJECT.)

Karnataka chemical & Pharmaceutical works Ltd, Udipi - Execution of fresh hypothecation deed - Considered.

Revenue & Co
Excise

19 35

Department of Excise

OFFICE of the Commr

STATION Chepauk

R. No. 1840 Adk

Seen by

Dated 6-X-35

Recd 7/10/35

₹ 50. (E)

S/7/10.

Pages in the file

(SUBJECT.)

Karnataka chemical & Pharmaceutical works Ltd, Udipi - Execution of fresh hypothecation deed - Mr. [illegible]

South Kanara Collector's Office,

Mangalore, dated 5th March 1935.

Confidential

S
Please note on this
Quickly [illegible]

My dear Hall,

Karnataka Pharmaceutical Works--Udipi--danger of insolvency.

In your Proceedings R. No. 548 Abk./34 dated 28th March 1934 you communicated the sanction of Government to the continuance for another year of the Excise Sub Inspector in connection with the supervision of the bonded warehouse of the Karnataka Pharmacuetical Works. I understand that the Company is in a bad way. A great deal of money has been sunk in buildings and apparatus and large stocks of preparations have accumulated. But the sales are small. I understand however that the Company is likely to ask for a renewal of the license of the bonded warehouse system. The Tahsildar is experiencing great difficulty in collecting the monthly payments and the Company certainly does not make the required payments on the 1st of the month in advance. I myself doubt whether it can pay the Company any longer to have an Excise staff on the premises. But I do not think that I can call for accounts from the Sub Inspector to see how much he is issuing from the warehouse each month. I do not however think that the bonded warehouse should be continued for another year without some enquiry.

The Tahsildar is also experiencing great difficulty in collecting the Land Revenue from the Proprietor; so I think there can be no doubt that his liquid resources have dried up.

Yours sincerely

To

J.F.Hall.Esq,C.I.E. O.B.E.
I.C.S.
Member Board of Revenue & Commr.of
Excise. Madras.

DRAFT FOR APPROVAL. C.F.16.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined ..		
When signed ..		
When despatched ..		

SUBJECT:-

The Karnataka Pharmaceutical Works Ltd. Bidri -

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:— A.O. (Confdl.) 25.3.35 from the Coll.r of S. Kanara.

No. _____ From the _____, No. _____, dated _____ 19____.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution Ms. / Rout. No. _____, dated _____ 19____.

Confdl

Ref:-

The Coll.r of S. Kanara is requested to enquire fully into the matter of the reported financial embarrassment of the Karnataka Pharmaceutical Works Ltd. Bidri and submit a report very urgently.

RM 8855

18/3.

18.3.35

To

E.H. George Esq. I.C.S.

Coll.r of South Kanara.

(To go in sealed Cover).

Confdl

18.3.35

II.

The Karnataka Ph.l Works Ltd Bidri. Issues - Particulars.

Ref:-

The A.C.D is requested

to furnish very urgently information on the following points:-

i) the quantity of Spirituous preparations issued from the Karnataka Pharmaceutical Lab and Bonded Warehouse from Oct. 1934 to the end of Feb 1935, furnishing separate figures for issues from the Pharm Lab and Bonded Warehouse.

(ii) the amount of Excise duty realised on the issues referred to above.

1893
18.3.35

The A.C.D
Completed
and
15.3.35
5.40 p.m.

Ref. A4--909--35.

South Kanara Collector's Office,
Mangalore, dated 15th March 1935.

From

E. F. Gawne, Esq, I.C.S.,
Collector of South Kanara.

2385

To

The Secretary to the
Commissioner of Excise,
Madras.

Sir,

Licenses-- Pharmaceutical Laboratory and Bonded Warehouse-- Karnataka Chemical & Pharmaceutical Works Ltd. Udipi--Establishment charges--Non-payment--reported.

The Tahsildar, Udipi, reports that the Karnataka Chemical and Pharmaceutical works, Udipi, has defaulted in the payment of the cost of the Abkari Establishment due on 1st March 1935. The Firm has, therefore, infringed the condition 6 of the licenses granted to it, for which it is liable to a fine of Rs.10/- or to the cancellation of the licenses as the Commissioner may direct. I request orders in the matter.

2. In this connection I may add that the Tahsildar is experiencing great difficulty in collecting the monthly payments from the firm. The truth is, I understand, that the firm has no ready cash as it has no sale for its products.

Your obedient servant,

Gawne

5

DRAFT FOR APPROVAL. C.F.16.

	Date.	Initials.
When received for fair copying ..	20/3	
When copied ..	20/3	
When examined. } When signed ..	20/3	
When despatched.		

SUBJECT:— The Karnataka Chemical and Pharmaceutical Works. Ltd. Bijapur. Establishment Charges. Non-payment of.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:— Coll's Karwar Rly A.4-969-35 of 15-3-35

No. _____ From the _____, No. _____, dated _____ 19____.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. R.2385 A/35, dated Memo. 19____.

The Coll' of Karwar reports that the Karnataka Chemical and Pharmaceutical Works Ltd. Bijapur have defaulted in the payment of the Cost of the Abkari establishment due on 1st March 1935. The firm has thus violated Condition 6 of the licence granted to them in CR R.548 Abk of 28.3.34 they are fined Rs 10/- which should be remitted into the Bijapur Treasury within 7 days from of the date of this Order and the challan forwarded to

lice Cour. of K. Karnataka. They
se also warned that their
cence will lee Cancelled if
ch default occurs.

Rm 20835

To
The Karnataka Chemical
Phl. Works. Ltd Gulbi.
Copy to the Cour. of
Sonka K. Karnataka
A.C.R.
D.S. Bldg ©
O/C P. Station
Completed
Initial
20.3.35.

Library Establishment

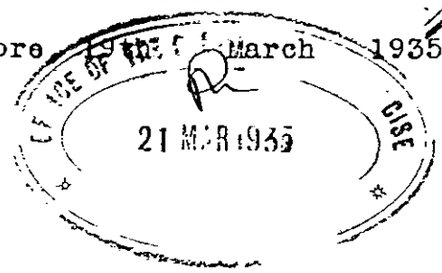
Your obedient servant,

Bonadhmadao
For Collector. 913

19.3.85

L.Dis.969-35. South Kanara Collector's office,

Mangalore, 19th March 1935.



From

E. M. Gawne, Esquire, I.C.S.,

Collector of South Kanara.

To

The Secretary to the Commissioner of Excise,

M a d r a s.

Sir,

Licences - Pharmaceutical Laboratory and Bonded warehouse Karnataka Chemical and Pharmaceutical Works, Ltd., Udipi - Establishment charges - Collection - Further report submitted.

Reference:- My letter Ref. A4-969-35, dated 15.3.1935.

******

The Firm has since paid the cost of the Abkari Establishment for March 1935 on 15.3.1935.

Your obedient servant,

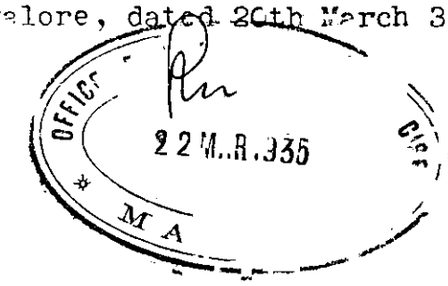
For Collector.

19.3.35

Confidential.

South Kanara Collector's Office,

Camp: Paremangalore, dated 20th March 35.



From

E. M. Gawne, Esq. I.C.S.,

Collector of South Kanara.

To

The Commissioner of Excise,

M a d r a s.

S i r,

The Karnataka Pharmaceutical Works Limited, Udipi.

Confidential Ref. dated 18th March 1935.

I had written to you an official letter with regard to the renewal of the opium and morphia special license for the Karnataka Pharmaceutical Works. I think this letter will have reached you on the 20th March. In that letter I explained what was the position of the Company in the general estimation of persons in Udipi. I am not however able to give more detailed information as I have no access to the books of the firm. It was for this reason that I suggested that the Sub Inspector in charge of the bonded store might be able to give figures showing the amounts which were issued from the store from month to month as this would be an indication how far the bonded drugs were taken out.

There was a rumour in Udipi that the Company was already [illegible] indebted to the Canara Bank and that a further loan was being negotiated, presumably on the security of the bonded property of the proprietor. At a meeting in February I found that [illegible] was a defaulter in payment of the first list although all [illegible] it to [illegible] will [illegible] collected [illegible]

very distant from Lalpi and it is not possible for me to interview the proprietor. If however you consider that he should be required to show his books in order to ascertain any figures needed by you I will ask the Sub Collector Gorakpur. It may be however that the Incometax Officer would have useful information; but I am not certain whether he would furnish it.

Your obedient servant,

Collector.

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied	27/3	S
When examined	27/3	27/3
When signed	27/3	
When despatched.		

SUBJECT:— The Karnataka CR&T Rules Ltd. Hubli - Report.

READ AGAIN ____, dated ____ 19____.

" " ____ " ____ 19____.

READ *ALSO*:— Corr^y of S. Karnataka Letter (Confdl) dt 20.3.35

No. ____ From the ____, No. ____, dated ____ 19____.

" ____ " ____ " ____ " ____ 19____.

" ____ " ____ " ____ " ____ 19____.

Order / Resolution — Ms. / Rout. No. 2385 A/35, dated ____ Ref:— ____ 19____.

The Corr^y of S. Karnataka is informed that he may obtain all information as he requires, either from his Excise Staff or the Police, to ~~enable to investigate~~ investigate the solvency of the licensee and report in due course.

27/3

27/3/35

To E.M. Crawe Esq. I.C.S. Corr^y S. Karnataka. (To go in Name Cover)

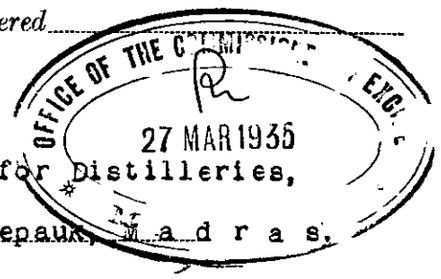
Completed 27.3.35 5.15 p.m.

C.F. 32.

In reply, please quote number, date and short title.*

Excise DEPARTMENT.

Received ..... *Registered* .....



From (Name) J.W. Ward Esq.,

(Designation) Asst. Commr. for Distilleries,

Post Box ....., (Station) Chepauk, M a d r a s.

Telegraphic Address .....

To

The Secretary to the Commissioner of Excise,
Chepauk, M a d r a s.

ABKARI
2740

R. C. R. *No* 592/35, *dated* 26th March *1935*.

Sir,

Enclosures .....

.....

.....

Spare Copies 4 2-3 Sayer

Karnataka Pharmaceutical & Chemical Works, Udipi
Sub: Spirituous preparations - issue - particulars - October 1934 to Feb. 1935 - furnished.

-:-

Ref: Commr.'s Reference dated 18-3-35.

-:-

The information called for is furnished in the statement enclosed.

m.m.26/3

for Asst. Commr. for Distilleries.

Name of preparations.	Proof contents.	Duty realised.
Warehouse:		Rs. A.P.
Tr. Belladonna	5-8	29-0--0
Total:	5-8	29-0--0
Laboratory:		
Tr. Aloes Co. ..	2-9	14-8--0
Tr. Colchici ..	4-3	21-8--0
Tr. Gelsemi ..	4-3	21-8--0
Tr. Jalapae ..	4-3	21-8--0
Tr. Coto ..	2-9	14-8--0
Tr. Quillalia ..	2-9	14-8--0
Tr. Euonymi ..	2-9	14-8--0
	24-5	122-8--0
Grand total:	30-3	151-8--0

In reply, please quote number, date and short title.*

EXCISE DEPARTMENT.

Received ..... *Registered* 5 - APR 35

From (Name) J. W. WARD ESQUIRE

(Designation) Asst. Commr for Distilleries,

POST BOX ....., (STATION) MADRAS.

Telegraphic Address .....

To

The Secretary to the Commissioner of Excise,

MADRAS.

Sir, R. C. R. *No.* 592 Dist. *dated* 2nd April 1935.

Spirituous preparations -
Karnataka Pharmaceutical Works Ltd. Udipi - issues - particulars

-:-

Ref: Commr.'s Memo No.Nil dated 18-3-35 and my letter R.C.R.592/35 dated 26-3-35.

-:-

In continuation of my letter cited above, I submit that the figures already furnished are for Dec.1934 only as there were no issues in the months of October and Nov.34

ENCLOSURES ..... 2-3 Supra
..... Nil Supra
.....

SHARE COPIES .. ..

and Jany. and Feb. 1935.

FOR ASST. COMR. FOR DISTILLERIES.

m.m. 4/4

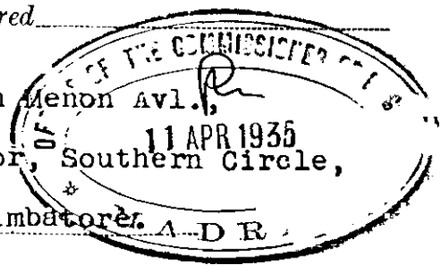
C.F. 32.

14

Excise. DEPARTMENT.

In reply, please quote number, date and short title *

Received *Registered*



(From (Name) M.R.Ry A. Kunhikannan Menon Avl.,

(Designation) Distillery Inspector, Southern Circle,

Post Box ....., (Station) Coimbatore.

Telegraphic Address .....

To

The Secretary to the Commissioner of Excise,

Madras.

R.C. No. 471/35 . *dated* 9-4-35. *19* .

Sir,

Enclosures .....

.....

..... 4 5-6 Supra

Spare Copies .....

*Sub:- The Karnataka chemical and pharamaceutical works, Udipi- Establishment charg es - non-payment of-

Ref:-Commr's proceedings C.R.No. 2385.Abk 20-3-1935.

The establishment charges and pension contribution were credited in March 1935 as per details below in Udipi, Sub Treasury.

Month.	Chalan No. and Date.	Amount.
December.	256 & 299 2-3-35.	Rs. 132-4-0 & 10-0-0
January.	257 & 300 2-3-1935.	132-4-0 & 10-0-0
February.	258 & 301. 2-3-1935.	132-4-0 & 10-0-0
March.	684 & 685 15-3-35.	132-4-0& 10-0-0

Inspector,
Southern Distillery Circle.

9.4.35

C.F.16.

DRAFT FOR APPROVAL.

	Date.	Initia's.
When received for fair copying ..	1.5	
When copied ..	2/5	
When examined..		
When signed ..		
When despatched.		

SUBJECT:- The Karnataka Chemical & Pdt Works Ltd. Sirsi Depot.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:— C's rep. on CR. 2385/35 of 29-3-35

No. _____ From the _____, No. _____, dated _____ 19____.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. CR 2385/35, dated _____ 19____.

Ref:—

11/Dec 35

The attention of the Coll^r of South Kanara is invited to the C's reports read above and he is requested to state when the report called for herein at urgently desk. may be expected.

28/4.
29/4/35

RM 5/5

The Coll^r of S. Kanara

DESPATCHED
2 ... 1935

16

L.Dis. 1524-35. South Kanara Collector's Office,
Mangalore, dated 13th May 1935.

From

E. M. Gawne, Esquire, I.C.S., M A D R A S
Collector of South Kanara.

4566

To

The Secretary to the Commissioner of Excise,

M a d r a s.

Sir,

The Karnataka Chemical and Pharmaceutical Works Ltd., Udipi - Question of solvency - Report submitted.

Ref: Commissioner's C.R.No. 2385 Abk.dated 27-3-35 and 1-5-35.

The Karnataka Chemical and Pharmaceutical Works, Ltd., Udipi is a private limited concern with 200 shares of Rs. 100/- each, most of which are held by Mr. Venkatraya Baliga, the Managing Director of the Firm and by members of his family. Its paid up share capital is reported to be Rs. 8640/-. Its working expenses are met by the Managing Director. The premises and the buildings containing the Works are his private and personal properties and do not form the assets of the Company.

2. The financial condition of the Managing Director on which the stability of the Firm so intimately depends is reported to be not at all sound. The value of the property owned by him is estimated at R. 1,55000/-; while his total liabilities are reported to exceed Rs. 2,30000. The whole of h private property including the premises and the buildings of th Firm appears to have been already attached before Judgment by one of his creditors who is reported to have since obtained a decree against him for Rs. 19000/-. Besides this there are si civil suits pending against him for sums aggregating to Rs.13000

3. Though the Firm was started in 1933, no audited balance sheet has yet been published for the years 1933 and 1934 Nor have the accounts been properly classified. I, however,

enclose a statement showing the working expenses of the Firm for the period from January 1933 to March 1935 according to the books maintained by it. Everything depends on what value can be placed on the unsold stock; the extremely poor sales in 1935 make it unsafe to value the unsold stock at full value. If it was sold by a forced sale as bankrupt stock perhaps only 25% of the value would be realised. The sales of 1933 and 1934 appear in the books as credit sales; but there are no means of ascertaining whether their value has been realised in full or not. Nor is there anything to show that the price of raw materials purchased has been paid in full or not.

4. The Firm has been able to pay the cost of the Abkari establishment up to the end of April 35 with great difficulty. I understand that its private staff has not been paid for some months and its soap expert to whom it owes about Rs. 200/- appears to have sent a registered notice threatening to sue the Firm.

5. Thus, it will be seen that the solvency of the licensee is far from satisfactory. As, however, you have now renewed the licenses of the Firm for the current lease and as there is a large stock of manufactured goods in the Bonded Warehouse on which duty has to be collected I do not see that there is anything to be done. The Government have sanctioned the continuance of the Excise staff for the current year. But I consider that in the interests of the Government the issues of alchohol from the Laboratory, should be reduced to a percentage of last year's issues till the stock in the Bonded store is reduced to a considerable extent.

Your obedient servant,

For Collector.

18

ent showing the working expenses of the Karnataka Chemical rmaceutical Works for the period from o March 1935.

Receipts.	Rs.	A.	P.		Rs.	A.	P.
sold -	12890-	7-	7	Value of materials purchased for the manuf of medicinal preparations.	52709-	12-	0
1933 -	20254-	8-	2				
1934 -	1875-	15-	0				
1935 -				Excise staff -			
				1933 - 1499-15- 0			
				1934 - 1869- 0- 0	3837-	11-	0
				1935 - 468-12- 0			
	35020-	14-	9	Salar			
goods now	11433-	11-	0				
				Salary Company's Establishment -			
goods inside Laboratory been paid.	15000-	0-	0	1933 - 4346- 2-10			
	4179-	8-	0	1934 - 3648-10- 0			
				1935 - (Not paid)	7994-	12-	10
	10820-	8-	0	Duty pa			
not used.	15338-	0-	0	n issues from bonded store -			
				1933-34 - 2007- 0- 0			
				1934-35 - 1857- 8- 0	3864-	8-	0
	72613-	1-	9	Total	68406-	11-	10

llector's office,
May 1935.

Bhadhavarao
For Collector. 15/5
DM
15.5.35.

Statement showing the working expenses of the Karnataka Chemical [illegible]armaceutical Works for the period from January 1933 to March 1935.

Receipts.			[illegible]penditure.		
		Rs. A. P.			Rs. A. P.
Value of medicines sold -			Value [illegible] manuf[illegible]	materials purchased for the of medicinal preparations.	52709-12- 0
1933 -	12890- 7- 7				
1934 -	20254- 8- 2				
1935 -	1875-15- 0				
		35020-14- 9	Salary	Excise staff -	
				1933 - 1499-15- 0	
Value of manufactured goods now in stock for sale.		11433-11- 0		1934 - 1869- 0- 0	3837-11- 0
				1935 - 468-12- 0	
			Salary	[illegible] Company's Establishment -	
Value of manufactured goods inside bonded warehouse and Laboratory on which duty has not been paid.	15000- 0- 0			1933 - 4346- 2-10	
				1934 - 3648-10- 0	
				1935 - (Not paid)	7994-12-10
Deduct duty payable on 835.9 gallons.	4179- 8- 0				
		10820- 8- 0	Duty p[illegible]	issues from bonded store -	
				1933-34 - 2007- 0- 0	
Value of raw materials not used.		15338- 0- 0		1934-35 - 1857- 8- 0	3864- 8- 0
		72613- 1- 9		Total	68406-11-10

South Kanara Collector's Office,
Mangalore, 13th May 1935.

Rmadhavarao
For Collector. 15/5

Statement showing the working expenses of the Karnataka Chemical and rmaceutical Works for the period from January 1933 to March 1935.

Receipts.		Rs. A. P.	Expenditure.		Rs. A. P.
Value of medicines sold -			Value of materials purchased for the manufact of medicinal preparation		52709-12- 0
1933 -	12890- 7- 7				
1934 -	20254- 8- 2				
1935 -	1875-15- 0				
		35020-14- 9	Salary of Excise staff -		
			1933 -	1499-15- 0	
			1934 -	1869- 0- 0	3837-11- 0
Value of manufactured goods now in stock for sale.		11433-11- 0	1935 -	468-12- 0	
			Salary of Company's Establishment -		
Value of manufactured goods inside bonded warehouse and Laboratory on which duty has not been paid.	15000- 0- 0		1933 -	4346- 2-10	
			1934 -	3648-10- 0	
			1935 -	(Not paid)	
					7994-12-10
Deduct duty payable on 835.9 gallons.	4179- 8- 0				
		10820- 8- 0	Duty paid on issues from bonded store -		
			1933-34 -	2007- 0- 0	
Value of raw materials not used.		15338- 0- 0	1934-35 -	1857- 8- 0	
					3864- 8- 0
		72613- 1- 9	Total		68406-11-10

South Kanara Collector's Office,
Mangalore, 13th May 1935.

Madhavarao 15/5.
For Collector.

[Draft for approval] 14

Rec'd on 10/6/35

Cyd 10.6

M/10/6

The Karnataka Chemical Pharmaceutical works Ltd Udipi – Solvency Report.

—

From

The Collr. of S. Kanara. No. L.Dis. 1524-35 dt 13.5.35.

C.R.No. 2385 A&K 35

Reference:

The Collr. is requested to submit the ~~hypothecation~~ deed executed by the directors of the Karnataka Chemical & Pharmaceutical works hypothecating the plant & the buildings to the Govt. It ~~may~~ Should be reported whether there are any prior encumbrances on the property hypothecated ~~to the Govt~~. ~~to the Govt~~ to the Govt.

Remarks to the Collr.

DESPATCHED
3 JUL 1935

Held

fwd
4.6.35

Sd
6/6/35

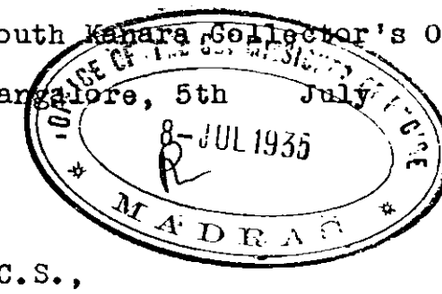
The Collr. of S. Kanara.

DESPATCHED
11 JUN 1935

20

Ref.No. 2578-35-A4.

South Kanara Collector's Office,
Mangalore, 5th July 1935.



From

E. M. Gawne, Esquire, I.C.S.,

Collector of South Kanara.

6761

To

The Secretary to the Commissioner of Excise,

M a d r a s.

Sir,

The Karnataka Chemical and Pharmaceutical Works, Ltd., Udipi - Solvency - Further report - Submitted.

Reference:- Commissioner's C.R.No.2385 Abk. 35, dated 8th June 1935.

b19CF

******

I enclose herewith the deed executed by the Managing Director of the Karnataka Chemical and Pharmaceutical Works hypothecating the plant and buildings to the Government.

2. Enquiry held by the Tahsildar, Udipi shows that there are no prior encumbrances on the property hypothecated to the Government. The records of the Sub Registrar's office at Udipi, however, show a number of encumbrances prior to 1933 on S.No.83/17 of Mudanidambur village on which the buildings of the Firm exist. But the Tahsildar reports that these encumbrances actually relate to S.No.83/18 and that S.No.83/17 referred to in the various documents of encumbrances is a mistake for S.No.83/18. The present owner of the land as appearing from the chain of documents registered in the Sub Registrar's office is one Anantha Padmanabha Ballal. He has also admitted before the Tahsildar that the plot referred to in the documents is the one containing his residential house and garden which has now been identified as S.No.83/18.

p226

3. I may, however, add that S.No.83/17 on which the buildings of the Firm exist is the joint family property of the Managing Director and stands registered in the name of his elder brother Mr. Vittal Narashimha Baliga. The Managing Director possesses only 1/4 share in it, the other co-sharers being his elder brother referred to above and his paternal uncle's son. I enclose herewith a copy of the statement of the Managing Director in the matter.

4. I now see from an advertisement appearing on page 2 of the Hindu dated 28.6.1935 that certain machinery belonging to the Firm has been notified for sale on 17.7.1935 by a Decree holder through the District Munsif's Court, Udipi. These machines do not appear to form part of those hypothecated to Government, as they do not find a place in the hypothecation deed executed by the Firm. I am holding further enquiry in the matter.

Your obedient servant,

Madhavarao 6/7.
for Collector.

Kml
6.7.35.

Statement of Mr. Venkatraya Annappa Baliga son of Mr. Annappa Baliga of Udipi Casba before the Tahsildar of Udipi on 2.7.1935.

I am the Managing Director of the Karnataka Chemical and Pharmaceutical Works, Ltd., Udipi situated in S.No.83/17 of Mudanidambur village in Udipi town. This plot of land is in holding No.146 of Mudanidambur registered in the name of my elder brother Mr. Vittal Narasimha Baliga as yejaman of the family. Our family properties have not been divided and all the family properties stand in the name of my elder brother Mr. Vittal Narasimha Baliga. My paternal uncle's son Kamalaksha Baliga alias Anantha Krishna Baliga is entitled to a full half share in all these properties and my brother and I are entitled to the other half. I have, therefore, the right to only one-fourth share in S.No.83/17 of Mudanidambur. But when our joint properties are going to be divided between us, whole subdivisions will be allotted to each share without splitting them up and as the Karnataka Chemical and Pharmaceutical Works, Ltd. has its buildings in S.No.83/17 which were built by me from my private funds and belong to me absolutely, the whole of S.No.83/17 will naturally be allotted to my share. Moreover, even if it is held that at present I have legally only a fourth share in S.No.83/17, I have hypothecated to Government only the portion containing the site of the laboratory and Bonded warehouse which is less than one-fourth of the whole extent of S.No.83/17 and in any case I am entitled to at least one-fourth of the entire subdivision.

(Sd.) U. Venkataraya Baliga.
2.7.1935

Read over by the deponent who knows English, admitted by him to be correct and signed in my presence.

(Sd.) J. F. Rego
2.7.1935
Tahsildar.

(True Copy)

For Collector,

1/187

DRAFT FOR APPROVAL.

C.F.16.

	Date.	Initia's.
When received for fair copying ..	18/7	
When copied	18/7	
When examined..	18.7	
When signed ..		
When despatched.		

SUBJECT:—

The Karnataka chemical & Phl. works Ltd. Udipi - Solvency

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the Coll. of S. Kanara, No. 2578-35 A4, dated 5.7. 1935.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution Ms. / Rout. No. _____, dated C.R. No. 2385 A/1935.

Sir,

The Managing director of the Karnataka Chl. & Phl. works Ltd. Udipi, S. Kanara Dt. has executed a deed hypothecating to the Govt. the land buildings of the Coy, the land on which the buildings stand and the premises attached to the buildings & the machines & appurtenances as securit for any amounts that may become due to the Govt. from them. It is ascertained that the above property is the joint family property belonging to

the mortgagor, his elder brother and his paternal uncle's son and that the mortgagor is entitled only to a fourth share of ~~them~~ it. ~~All the~~ the land ~~is said to be Standing~~ ~~the name~~ stands registered in the name of the elder brother of the mortgagor and the buildings, machineries & appurtenances are said to be the property of the latter. In view of ~~the said~~ facts, you I am to request, to let me have your opinion as to whether there will be any difficulty in realising the Govt. dues, ~~when~~ in case of any default by the mortgagor and whether he can legally hypothecate his 1/4 share of the undivided joint family property.

~~for~~ 15.7.35 The hypothecation deed is sent herewith for your perusal & return.

for
15.7.35

16/7/35

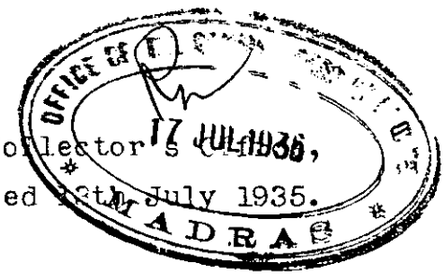
Rm 7785

To
The Govt. Solicitor,
Madras.
with a deed & a
Statement of the mortgagor

DESPATCHED
18 JUL 1935

25

L. Dis. No. 2578--35.



South Kanara Collector's Office,
Mangalore, dated 13th July 1935.

7116

From

E. M. Gawne, Esq, I.C.S.,

Collector of South Kanara

To

The Secretary to the

Commissioner of Excise,

Madras.

Sir,

The Karnataka Chemical and Pharmaceutical Works Ltd. Udipi--solvency--further report--submitted.

Ref:- Commissioner's C. R. No. 2385 Abk. 35 dated 8th June 1935 and my reply Ref. A4--2578-35 dated 5th July 1935.

On enquiry it is found that the machines referred to in para 4 of my letter Ref. A4-2578-35 dated 5th July 1935 belong to the non-alcoholic and soap departments of the works and are not included in the machinery and plant hypothecated to the Governmen I understand that the Managing Director of the Firm is making efforts to satisfy the decree and prevent the sale.

Your obedient servant,

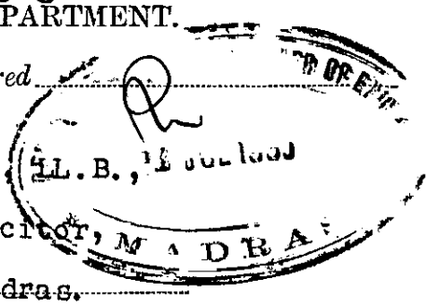
Collector.

C.F. 32.

reply, please quote number, date and short title.*

25 DEPARTMENT.

Received *Registered*

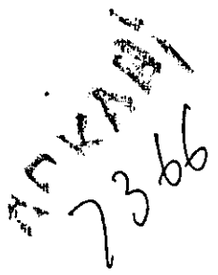


From (Name) H.M. Small Esq., M.A., B.L.,

(Designation) Government Solicitor, MADRAS

Post Box ....., (STATION) Madras.

Telegraphic Address



To

The Secretary to the Commissioner of Excise,
Triplicane,
M a d r a s.

No. 2150 *dated* 22nd July *19*35.

Sir,

* The Karnataka Chemical and Pharmaceutical Works Ltd., Udipi - Solvency.

ENCLOSURES

1122-23 of

SPARE COPIES

I have the honour to acknowledge receipt of your letter C.R.No.2385-Abk/35 of the 17th instant with the deed of hypothecation sent therewith.

2. I am of opinion, subject to what is stated in para 3 below, that a hypothecation by the Managing Director of his one-fourth share of his undivided joint family property would be valid but I am not in a position to state whether in the event of his having any sons it would validly bind their interests also in the property.

3. Although the question has not been referred to me I feel bound to express the following remarks on the deed of hypothecation itself, viz;

(1) The mortgagors mentioned in the deed of hypothecation are the Karnataka Chemical and Pharmaceutical Works Ltd. and U. Venkataraya Annappa Baliga. The execution of the document at page 10 is ambiguous and is presumably made on behalf of the first named mortgagor alone and not by the second named one and if this is correct then the hypothecation in favour of Government is invalid and unenforceable.

(2) The Company's seal does not appear to have been affixed to the document and in the absence of the Company's Memorandum and Articles of Association I am unable to say in what manner documents binding on it are to be executed.

(3) I am unable to say in the absence of the said

Memorandum whether the Company has power to hypothecate in this manner.

(4) The execution of the mortgage has not been attested by two witnesses as required by the Indian Statute Law.

(5) Schedule 1 to the deed of mortgage relates to immoveable property and the mortgage should, therefore, have been registered under the Indian Registration Act.

(6) Under the Indian Companies Act particulars of mortgages made by a Company should be filed with the Registrar of Joint Stock Companies within 21 days of execution of the mortgages. I do not know whether this has been done in the present instance. If not Court sanction would be required to excuse the omission and to permit filing later.

4. I return herewith the deed of hypothecation sent to me, receipt of which please acknowledge.

AKK/RV

I have, etc.,

Sir,

Your obedient servant,

Government Solicitor.

17/26 — 28

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..	25.7	
When copied	27/7	
When examined..	26.7	
When signed ..		
When despatched.		

SUBJECT:— The Karnataka Chl. & Ph. works Ltd, Udipi - Solvency

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the Govt Solicitor, No. 2150, dated 22.7.1935.

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. _____, dated C.R.No. 2385 A/1935.

Ref. Sir,

The ~~receipt of the~~ hypothecation deed sent with your letter read above has been received ~~is acknowledged~~.

I am to ~~request~~ ~~you~~ that the usual statement of the mortgagor sent to you with C's Ref. C.R. No. 2385 A/35 dt 17.7.35 ~~of which~~ has not been sent back & ~~I~~ request that it may kindly be returned.

Yrs
23.7.35
PS
24.7.35

RSP 25/7/35

To
The Govt. Solicitor,
Madras.

RECEIVED
25 JUL 1935

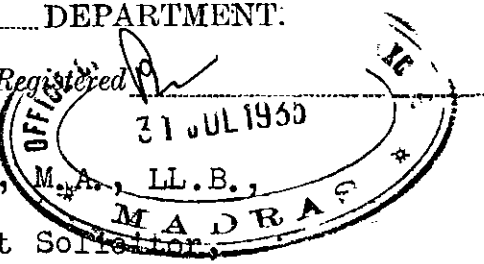
C.F. 32 (a).

In reply, please quote number, date and short title.*

29

_____ DEPARTMENT.

Received _____ *Registered* _____



From (Name) H.M. Small Esq., M.A., LL.B.,

(Designation) Government Solicitor,

Post Box _____, (Station) Madras.

Telegraphic Address _____

To

The Secretary to the Commissioner of Excise,
Triplicane,
M a d r a s.

No. 2226, *dated* 29th July *19*35.

Sir,

The Karnataka Chemical and Pharmaceutical Works Ltd. Udipi - solvency.

I have the honour to acknowledge receipt of your letter CR No.2385 Abk.35 and send you herewith the statement of the mortgagor asked for therein.

I have, etc.,
Sir,
Your obedient servant,

H.M. Small

Government Solicitor

1675

Enclosures _____

_____

_____

Spare Copies _____

RV CL

CB

30

6/7.8

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..	6.8	
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT:— The Karnataka Chl. & Phl Works, Ltd - Udipi - Solvency.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the Govt. Solicitor, Madras, No. 2150, dated 22.7.1935.

" _____ " _____ " _____, " _____ 19____.

" _____ " _____ " _____, " _____ 19____.

Order / Resolution — Ms. / Rout. No. _____, dated C.R. no. 2385 A/1935.

Refer.

The Collr. of S. Kan. is requested to report at an early date what Mr. Venkatraya Annappa Baliga has any sons & if so, their age. ~~If the sons~~ are majors, their signatures should also be obtained in the deed; if not, the further signature as guardians of the minors ~~should be obtained~~.

2/. A copy of para 3 of the Govt. Solicitor's letter read above is forwarded herewith. The Collr. is

3/

requested to submit a detailed report about the defects in the deed pointed out by the Govt. solicitor.

The deed is sent herewith for perusal & return

1/
8.35
28/8.35

To the Collr of Sp. Kanara
(with the deed & a copy of para 3 of the Govt. Solicitor's letter)

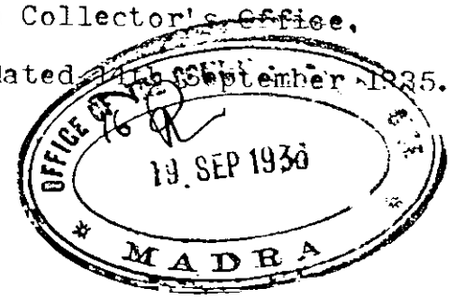
(pp 26-27 Cf to be typed)

-Aug 1935

32

I. Dis. 3626-35.

South Kanara Collector's Office,
Mangalore, dated 14th September 1935.



From

E. M. Gawne, Esq, I.C.S.,
Collector of South Kanara.

To

The Secretary to the
Commissioner of Excise,
Madras.

Sir,

The Karnataka Chemical and Pharmaceutical Works Ltd. Udipi--Solvency--further report--submitted.

Ref:- Commissioner's C. R. 2385 Abk. 35 dated 5th August 1935.

Mr. Venkatraya Annappa Baliga has five sons, who are all minors. Their names and ages are given in the margin.

Name.	Age.	
1. Marjunath	12 years	Twins.
2. Annappa	12 years	
3. Panduranga ..	10 years.	
4. Govindaraya ..	2 years	
5. Jagannath ..	3 months.	

2. My remarks on the defects in the hypothecation deed pointed out by the Government Solicitor are given below seriatim.

(i) Mr. Baliga is not only the Maraging Director of the Coy but also the owner of the building and the site. He says that he signed the deed in his dual capcity on behalf of the Coy, and also on behalf of himself. He is prepared to put another signature to the deed if such a course is considered necessary.

(ii) Under Article 113 of the Coy's Memorandum and Articles of Association, all documents to be executed by or on behalf of the Coy. have to be signed and executed by the Managing Director. This article does not require that the deed should be

affixed with the Coy's seal. Mr. Baliga however says that the Coy. has got a seal and that he is prepared to affix it to the deed if required

(3) Under article 58 clauses (t) and (w) of the Coy's articles of Association, the Board of Directors has power to hypothecate and under article 62 Mr. Baliga has been empowered to exercise all the powers vested in the Board subject to such control as may be exercised by the Directors from time to time. The Directors are reported to have acquiesced tacitly in the hypothecation and one of them Mr. Rama Manjunath Naik has also signed the deed as a Director.

(4 and 5):- I have no remarks to offer.

(6) The particulars of mortgages required to be filed with the Registrar of Joint Stock Companies would seem to be those relating to mortgages of immoveable properties owned by the Company. In the present case the immoveable property hypothecated (viz. the site of the building) is not the Coy's property but is the private property of Mr. Baliga. It is, therefore, a question whether particulars of this mortgage have to be filed with the Registrar of Joint Stock Companies.

2. The licences granted to the Company have now been cancelled by the Commissioner in his Proceedings C.R.8534-Abk-35 dated 31st August 1935. If this order is to be revoked, I would suggest that the Coy. may be asked to execute a fresh hypothecation deed.

4. The hypothecation deed, a copy of the memorandum and articles of Association of the Coy. and the statement dated 10th September 1935 of Mr. Baliga are enclosed. The articles of association may kindly be returned when done with as requested by Mr. Baliga in his statement

Your obedient servant,

Collector.

Statement of Mr Venkatesa Ananda Raja Son of Ananda Raja of Madras Court. recorded by the Judicial Madras on 10.9.35

I am the managing Director of the Ramakrishna Chemical and Pharmaceutical Works Ltd Madras and the principal owner of the buildings and plant of the said Works. I have five sons who are all minors. Their names and ages are (1) Ramachandra aged 12 years (2). Ananda aged 12 years (the above two are twins) (3) Pandurangan aged 10 years (4) Govinda raja aged 2 years and (5) Jagannatha aged three months. All my children being for the benefit of my children are bringing on them. The Collector's order dated 22.12.1933 in favour of the Secretary of State for India in Council was executed both by the Company and by myself as owner of the buildings and premises. As such it has been

signed by me in my dual capacity
~~of~~ as Managing Director and as
owner of the building and as the
premises. It has also been
signed by Ramanjunath Nayak
another Director of the Company
The Company has got a seal
and if required I can prepare
to affix the seal even now.
I have now handed over to the
Registrar the Memorandum and
Articles of Association of the
Company. I request that it
may be returned to me
after perusal. Under Articles
58 and 62 I as the Managing
Director of the Company am
entitled to exercise all the
powers of the Board of Directors
~~referred~~ specified in Article 5
which includes in Clause (b)
the power to sell and in any
other manner deal with or dis
pose of the undertaking or prop
of the Company or any part of the
for such consideration as the
Company may think fit.

D Venkataraya Baliga.

Read out - admitted to be correct
and signed in my presence.

3 b Seen

The Karnataka Chemical and Pharmaceutical works. Udipi – Danger of – insolvency.

Ref:- D.O. from the Coll, South Kanara.

The Karnataka Chemical and Pharmaceutical Works Ltd. Udipi, hold from 1.4.1933 the following two licences:-

(B) pp114-119

(i) to manufacture in bond medicinal preparations containing spirit

&(ii) to manufacture in bond essences, toilet preparations etc.,

The duty realised during the year 1933-34 on spirits contained in preparations issued from the works amount to Rs. 1623/- of which Rs. 40/- was from essences.

(U) p4

During the first half year of 1934-35 the realisations on spirituous medicinal preparations were Rs. 1706/-

(T) p4

No duty was realised from essences.

(T) p6

The firm has deposited on 2.6.1933 a Post Office 5 years cash certificate for Rs. 2500/- under rule 36 (1) against Rs. 1000/- required and has executed the hypothecation deed as required by rule 36 (2) of the Distillery and Warehouse rules.- p10 Duty Manual Vol I

(W)

(Z) p25.

Please see the remarks on page 34 (S), and the action taken when Messrs A.S.R.Murti & Co., defaulted payment of charges of the Govt. establishment -C.T.R. 1304 Abk. dated 2nd August 1934.

We have no information about their actual present financial condition, but in view of the issues from Spl. medicial preparations made in the first six months and realisation of duty (Rs. 1706/-) the security furnished for payment of all dues and the recommendation of the D.C.D. to renew the licence there does not seem to be any difficulty to realise charges for the staff employed by us ~~on the~~ & recommendation to the Govt. for the sanction of the staff may therefore issue. But, before issue, if

if necessary, the issues from October 1934 up to the end of February 1935 may be called for from the ACD and the Collector also asked to report after fully enquiring into the matter of their reported financial embarrassment. The fact that there has been no issues of essences in the 1st half year shows that this branch is such thriving.

Draft to ACD ?

Submitted

S

fined Rs 10 in the ~~xxx~~ first instance now ~~and~~ with a warning that their licence will be cancelled if such default occurs

19.5.35

19.5.35

From the Commr. of S. Kanara Lr. No. 965/35 dt. 19.3.35

Secy. to write at p. 7 C.P. No. to ~~xxx~~ writer for perusal.

21/3/35

Note (Contd)

From the Commr. of S. Kanara letter dt. 20/3/35 (Copy).

Please see the letter read ~~xxx~~.

The A.C.P. has been asked to furnish particulars in respect of issues from the Karnataka Chemical Works to the Bharat Electricals and ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ to see how we have relied on that the C

report. Called for on p 10 cf. For orders.

11/4
11.4.35

Srl.

A resolution to the Coll. of S. Canara is put up for approval.

Rly 585

30/4
30/4/35

From the Coll. of S. Kanara LDis 1524-35 dt 13.5.35

Submitted for perusal.

For orders whether the file may be sent to the A.C.D. H.O. for remarks with reference to para 5 of the Coll's report.

Rly 20535

AC 4.0

AY 1935 ACISE

19/5
19.5.35.

I minuted in para 8 of my last Note of inspection (CP 0 dis 2011 dtd 23/11/34. dtd 27.11.34) the financial difficulty prevented the taking of delivery of a consignment of Sheet which remained under bond for nearly a month from the Mangalore Station. Beyond minutes I had nothing definite to report the Plant and buildings have been

37 b—

purposes to renew the Pharmaceutical Laboratory licences for 1935-36 - orders may also be passed on the linked file.

The Coll. may be informed that he may obtain any information he wants from the Excise staff or the firm & to investigate the solvency of the licensee & report in due course

Rs 25/3/35 4/4 25/3/35

Sir,

A draft is put up for approval

Rs 27/3/35 ✓

27/3-28 27/3/35

From the A.C.D. Dt. 25/3/35 & ors.

The A.C.D's letter read above is submitted for perusal. It may be observed that during the period Oct 1934 to Feb. 1935 there have been issues both under Q. mol. prep^n and essences etc. from the Karnataka Ch^l Works Co. Merpi. Coll^r report on C's

refers dt 18/3/35 + 27.3.35 may be awaited

28/3-28 28/3/35 Rs 28/3/35

From the Asst. S. Distg. C. dt. 27/3/35 & 4/4/35

Please see the D's letter at p/4 C.f.. No action appears necessary. The file may lie over till receipt of the Collector's

hypothecated to Government and Rs 1000 have been deposited. No Spirituous preparations may be removed unless duty is paid. If the firm becomes insolvent the Spirit (alcohol) and Spirituous preparations will remain in bond and will be at the disposal of Government. 100 gallons of 60° OP on removal of a true and duly of the Tariff rate works out to Rs 600. Even if the Spirit is lost in transit and duly less the removal from the licensed premises should be responsible in making the duly. The Collector may be asked to send the hypothecation deed for examination and to report the value of the property hypothecated as there is no need to retain it under

Sir
1933

Submitted for perusal and for orders whether the hypothecation deed may be called for as suggested by the Asst. Probably the Collr should be asked to state whether there ~~are~~ are any prior encumbrances on the property hypothecated with him. For orders

A draft to the Govt. Solicitor put up for approval.

Ref d/ 17.7.35 to the Govt. Solicitor. pp 23-24 C.F

From the Collr. of S. Kanara 2578-35 d/ 13.7.35 p 25 CF

From the Govt. Solicitor. No: 2150- d/ 22.7.35 , 25-29

A draft to the Govt. Solicitor acknowledging receipt of the deed and requesting the return of the mortgagor's statement sent with C/o ref d/ 17.7.35 is put up for approval.

A note will be submitted after issue of the draft.

31/7/35

pp 26 to 27 C

Note Contd.. R... ...

With ref. to para 2 of the Govt. Solicitor's letter at Page 26 C. ante, may be asked to report whether the Managing Director ~~manager~~ has any objection, their age as per their signatures may also be got in the case if they are majors or if minors his signature as guardian of the minors also may be obtained. Proceed.

A

Yes
31.7.73
Regd 73

...

26 to 27 C Govt. Solicitor's letter. The Collr. may be asked to submit a detailed report concerning the defects pointed out. On receipt of the Collr's report, steps may be taken to rectify the defects to get a proper executed deed, if necessary for orders.

B

Yes
31.7.73
Regd 73

In the light of the observations made by the Govt. Solicitor, it would appear necessary to examine the deeds executed

U-27 F

erected by the licensees of the
er phl. laboratories in the
ery. This may perhaps be done
in a separate file.

For orders.

Rly 7/35

'35.

'35

letters at A & B on p 9 N.F.

A draft to the Collr. of
Kanara is submitted for approval.

c/o orders at C above :-

A separate file has been opened
& is being submitted separately.

Rly 8/35

3.8.35.

3.8.35.

Ref. to 5.8.35 to the Collr. of S. Kanara from the Collr. Z. Dis. 3626-35 D. 14.9.35

Please see the linked file. C.R. 1853 4A/35. A note will be put up on the Collr's report at pp 32-33 C.F., after orders are passed in the linked file.

full 20/9/35.

JB 20/9/35.

Let us have a fresh hypothecation bond.

21.9.35

Note contd.

Please see the collr's report at 33 C.F. & the Govt. Solicitor's letter at pp 26-27 C.F.

The collr. may be asked to get a fresh deed executed by the with special attention to the following facts:-

(1) the signature of Mr. Venkatraya Annappa Baliga as guardian of his minor sons may be obtained in the deed in addition to the one ~~his~~ below.

(2) the signature of Mr. Venkatraya Annappa Baliga as owner of the building & site may also be obtained.

(4)

3) As the Collr. states that the director is prepared to affix the Coy's seal to the deed, this may be done.

4) The execution of the mortgage must be got attested by two witnesses.

5) The mortgage should be registered under the Indian Registration Act.

6) In respect of the item no. 6 in the Govt. Solicitor's letter at p 27 C.F., the Collr. has stated that the particulars ~~should~~ be filed with the Registrar of Joint Stock Companies only in the case of immoveable properties owned by the Coy, but in this case the immoveable property is owned by Dr. Baliga & not by the Coy. In view of the Govt. Solicitor's remarks, it appears advisable to have this done particulars filed with the Registrar of Joint Stock companies

for orders

ME
6.9.35
RB
26/9/35

Rec'd 9.9.35

But what is the decision re
nothing and nothing this —
Cancellation of Mortgage?

Yes!

c'o query on p 12 above.

The licences were ordered to be restored. Please see pp 36 & 37-38 of (P).

4.X.35

fm
3.X.35.
PB
31.10.35

Sir,

Draft below.

fm
5.X.35
PB
5.10.35

49

C.F.16.

[illegible] APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined ..	7/10	
When signed ..		
When despatched.		

SUBJECT:—
Karnataka Chemical & Phl. Works Ltd, Udipi — Execution of fresh hypothecation deed - Ordered

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. _____ From the Collr. of S. Kanara D.O., dated 5-3-1935 — p1

" _____ " _____ " Letter dt 20.3.35. — 8-9

" _____ " _____ " " L.Dis. 1524-35 dt 13.5.35 — 16-1

" _____ " Govt. Solicitor, Madras " L Dis 3626-35 dt 14.9.35 — 37

" _____ " _____ " 2150 " 22.7.1935 — 26-

Order / Resolution C.R. / Ms. / Roul. No. 2385 A/35, dated _____ 19____.

Procp.

The Collr. of S. Kanara is requested to get a fresh hypothecation deed executed by the Karnataka Chl. & Phl. Works Ltd, Udipi paying special attention to the following facts :-

1) the signature of Mr. Venkatraya Annappa Baliga as guardian of his minor sons should be obtained in the deed in addition

2) ~~The signature of Mr. Venkatraya Annappa Baliga~~ His signature

57

~~Batiya as owner of the~~ building & site ~~should~~ be obtained ~~in the~~ deed ~~in addition to~~ the one in (1) above.

2) the Corp's seal should be affixed to the deed

3) the deed should be registered under the Indian Registration Act

4) the execution of the deed should be attested by two witnesses.

1) the particulars of mortgages should be filed with the Registrar of joint Stock Companies within 21 days of execution of the mortgage.

ml
5-X-35
BS

Reply to Bs

To the Collr of S. Kanara

~~Copy to Legl A.C.D.~~

(with the old deed & Memorandum returned) D/Te to Post.

Copy to ~~me~~ A.C.D.

(H) & (Y)

DESPATCHED
3-OCT 1935

Fin